

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Premier Garage

#### Arizona Manufacturing Extension Partnership

#### Premier Garage Tactical Lean Initiative Addresses Needs of Customers

##### Client Profile:

Premier Garage Holdings, LLC maintains their reputation as the leader in garage enhancements by providing the highest quality products, ranging from flooring and cabinetry systems to specialty organizers, and by serving the needs of both builder and residential businesses. Founded in 1999, Premier Garage has over 90 independently operated franchise facilities across the United States and Canada. The company employs 28 people at its facility in Phoenix, Arizona.

##### Situation:

Premier Garage faced several constraints in delivering their products to the various franchise locations forcing them to impose an effective five-week lead time with significant purchase quantity requirements. As the sales began to grow, they began experiencing difficulties in fulfilling orders and realized that the long lead times and large order quantities were not efficient for their customers or for themselves. They finally realized that in order to sustain their reputation as the pioneer in cabinetry and specialty organizers, they had to involve their customers in their daily operations by addressing their needs. Premier Garage decided to incorporate a Lean enterprise in order to improve their service levels, control their inventory, and decrease their product lead time. They contacted the Arizona Manufacturing Extension Partnership (Arizona MEP), a NIST MEP network affiliate, for help.

##### Solution:

Arizona MEP helped secure grant funding and implemented Lean enterprise training followed by a Value Stream Mapping and Kaizen. Arizona MEP worked with the Lean Manager to revise a new layout of the finished goods and pull from a Kanban controlled system, while replenishing inventory as needed instead of holding inventory. Premier expanded their facility to support their manufacturing capabilities in order to efficiently manage their finished goods. The company knew that implementing the Lean process would secure their customers loyalty by addressing the demands of what their customers wanted, the amount they needed to order and distribute, and by establishing a demand rate as well as a projection of their distribution for months ahead. With the Lean process in place, this allowed Premier Garage to service their customers with more demand driven order requirements. The orders were in smaller lots which reduced the current ordering cycle lead time. This process also allowed them to decrease the needed lead time from 20 days to 7.5 days.

##### Results:

- \* Increased sales by \$500,000.
- \* Decreased WIP inventory and cost of freight.
- \* Reduced lead time from 20 days to 7.5 days.

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**Testimonial:**

"We are now able to meet the growing demands of our business, which we would not have been able to accomplish without these changes and services provided by Arizona MEP."

Starla Reichow, Controller